GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2495
ANSWERED ON:07.03.2003
CREDIT OF $30 MILLION TO CHINA
V. VETRISELVAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether China presents a challenge to India in the international market due to its large size of economy;

(b) if so, the steps being taken by the Government to face the Chinese challange;

(c) whether it is also a fact that EXIM Bank has sanctioned a line of credit of $ 50 million to China;

(d) if so, the details thereof ; and

(e) the other countries to whom line of credit has been offered by EXIM Bank and upto what extent ?

Answer

Minister of State in the Ministry of Finance and Company Affairs (Shri Anandrao V. Adsul)

(a) & (b): Information is being collected and will be laid on the Table of the House.

(c) Exim Bank of India has offered a Line of Credit of US $ 15 million (not US$ 50 million) to China for financing exports from India.

(d) The Line of Credit has been offered to Industrial and Commercial Bank of China (ICBC). The credit will cover 90% of the value o contract. Under the Line of Credit,any item agreed upon between Exim Bank of India and the borrower, can be exported from India to China. The credit agreement is being negotiated with ICBC.

(e) A list of Exim Bank of India Lines of Credit, currently operative, is furnished in the Annex.